1 CLAIMS

- 2 We Claim
- 3 1. A system for investing in a stocks comprising:
- 4 a process for screening and sorting and picking stock to
- 5 purchase where one of the screening criteria is the
- 6 existence of a market for options contract for the stock;
- 7 a process for the periodic purchase of blocks of stock
- 8 where the size of the size of blocks relate to the number
- 9 of shares in an option contract; and
- a process for the sale of options for the blocks of stock
- 11 currently owned in the picked stock.
- 12 2. The system of claim 1 where the process for the periodic
- purchase of blocks of stock further comprises a constraint
- 14 that spreads out the price of stocks purchased by
- 15 preventing the purchase of too many shares a prices that
- are too close together.
- 17 3. The system of claim 1 where the process for sale of option
- 18 contracts prevents the sale of options which if exercised
- 19 would result in a net loss.
- 20 4. The system of claim 3 where the process for sale of options
- 21 takes into consideration the brokerage expenses and premium
- income from the sale of option contracts.
- 23 5. The system of claim 1 wherein the screening and sorting and
- 24 picking process includes liquidity constraints.

- 1 6. The system of claim 5 wherein the liquidity constraint
- 2 includes a lower limit of the volume of trading in the
- 3 stock.
- 4 7. The system of claim 5 wherein the liquidity constraint
- 5 includes based on the lower floor of the price of the
- 6 stock.
- 7 8. The system of claim 5 wherein the liquidity constraint is
- 8 an option liquidity constraint.
- 9 9. A system for investing in a stocks comprising:
- 10 a process for screening and sorting and picking stock to
- 11 purchase where -
- 12 stocks with no option contract market are exclude,
- a liquidity constraint are imposed to exclude stocks
- 14 based on risk of difficult of selling the stock, and
- 15 stocks are sorted by the option contract bid price so
- that preference is given to stocks with higher option
- 17 contract bid prices;
- a process for the periodic purchase of blocks of stock
- where the size of the size of blocks relate to the number
- of shares in an option contract where -
- 21 a clustering constraint prevent the clustering of too
- 22 many shares of stock at similar purchase prices; and
- a process for the sale of options for the blocks of stock
- 24 currently owned in the picked stock where -

- a stock bundler bundles the blocks of stock based on
- 2 the purchase price of the stock to optimize the income
- 3 from the sale of option contracts.
- 4 10. The system of claim 9 wherein the constraint that prevents
- 5 the clustering of too many shares of stock provides the option
- 6 of selling a put in the stock if the clustering constraint
- 7 prevents a purchase of a block of stock.
- 8 11. The system for managing a stock holding position by
- 9 spreading the purchase of stock over a period of time while
- 10 simultaneously and periodically selling option contracts in the
- 11 purchased stock which incorporates a band rule constraint which
- 12 prevents purchasing too many shares of stock at prices that are
- 13 grouped too closely together and bundling system for bundling
- 14 stocks based on their price to maximize the premium income that
- 15 can be obtained from selling option contracts profitably for the
- 16 stock holding.